

STATE OF ALASKA THE LEGISLATURE

2021

Source

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Legislative Resolve No.

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Urging the United States Department of the Interior, Bureau of Land Management, to honor the recent lease sales and proceed with permitting in the Arctic National Wildlife Refuge; urging the President of the United States to defend the 2020 Record of Decision approving the Coastal Plain Oil and Gas Leasing Program in the Arctic National Wildlife Refuge; opposing designation of the Arctic National Wildlife Refuge as a National Monument; urging the Alaska delegation in Congress to work to repeal sec. 20001(b)(5) of the Tax Cuts and Jobs Act of 2017 to honor the Alaska Statehood Act with respect to the state's share of bonuses, royalties, and rentals from exploration and development in the coastal plain of the Arctic National Wildlife Refuge; and requesting that the Alaska delegation in Congress defeat any effort to alter or repeal other provisions of sec. 20001 of the Tax Cuts and Jobs Act of 2017 if the result would adversely affect oil and gas development efforts in the Arctic National Wildlife Refuge.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, in 16 U.S.C. 3143 (sec. 1003 of the Alaska National Interest Lands Conservation Act), the United States Congress reserved the right to permit oil and gas development and production in the coastal plain of the Arctic National Wildlife Refuge; and

WHEREAS, in 16 U.S.C. 3142 (sec. 1002 of the Alaska National Interest Lands Conservation Act), the United States Congress authorized nondrilling exploratory activity in the coastal plain of the Arctic National Wildlife Refuge; and

WHEREAS sec. 20001 of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) requires the United States Secretary of the Interior to establish and administer a competitive oil and gas program for the leasing, development, and production of oil and gas in and the transportation of oil and gas from the coastal plain of the Arctic National Wildlife Refuge; and

WHEREAS sec. 20001 of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) requires that at least two lease sales be held by December 22, 2024, and that each sale offer for lease at least 400,000 acres of land with the highest hydrocarbon potential in the coastal plain of the Arctic National Wildlife Refuge, allowing for up to 2,000 acres of federal land, equivalent to .01 percent of the 19,000,000-acre refuge, to be covered by production and support facilities; and

WHEREAS the 1,500,000-acre 1002 study area of the coastal plain of the Arctic National Wildlife Refuge makes up less than eight percent of the 19,000,000-acre refuge, and development of the oil and gas reserves in the coastal plain of the refuge would affect a limited area, as defined by the United States Congress; and

WHEREAS 8,900,000 acres of the 19,000,000-acre Arctic National Wildlife Refuge have already been set aside as wilderness; and

WHEREAS the coastal plain of the Arctic National Wildlife Refuge contains an estimated 7,687,000,000 barrels of recoverable oil and 7,000,000,000,000 cubic feet of natural gas; and

WHEREAS the exploration, development, and production of oil and gas in the coastal plain of the Arctic National Wildlife Refuge is predicted to generate 1,430 direct jobs and 6,350 indirect jobs annually and 2,480 direct jobs and 10,100 indirect jobs at peak employment; and

WHEREAS the 1002 study area is part of the coastal plain of the Arctic National

Wildlife Refuge located within the North Slope Borough, and many of the residents of the North Slope Borough, who are predominantly Inupiat, are supportive of development in the 1002 study area; and

WHEREAS oil and gas exploration and development in the coastal plain of the Arctic National Wildlife Refuge and adjacent land could result in major discoveries that would reduce our nation's dependency on oil produced by hostile foreign nations, help balance the nation's trade deficit, and significantly increase the nation's security; and

WHEREAS additional natural gas production from the North Slope of Alaska, including the significant gas reserves expected to be found in the Arctic National Wildlife Refuge, would enhance the energy independence of the state and the nation in the future; and

WHEREAS natural gas production from the North Slope of Alaska would enhance the economic viability of the proposed liquefied natural gas project; and

WHEREAS development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and Milne Point has resulted in the creation of thousands of jobs throughout the United States, and projected job creation as a result of oil development in the coastal plain of the Arctic National Wildlife Refuge would have a positive effect in all 50 states; and

WHEREAS support for development of the coastal plain of the Arctic National Wildlife Refuge by many state residents is predicated on the maximum employment of the in-state workforce during all phases of development and operation; and

WHEREAS, at Prudhoe Bay and other locations along the coastal plain of the Arctic National Wildlife Refuge, the oil industry has demonstrated that it can conduct oil and gas activity without adversely affecting the environment or wildlife populations; and

WHEREAS the state will continue to strive to ensure the ongoing health and productivity of the Porcupine and Central Arctic caribou herds and the protection of land, water, and wildlife resources during the exploration and development of the coastal plain of the Arctic National Wildlife Refuge; and

WHEREAS the Bureau of Land Management's 2020 Coastal Plain Oil and Gas Leasing Program Record of Decision was developed after extensive outreach and consultation with residents of local communities, including residents of Kaktovik, the only Alaska Native community in the coastal plain of the Arctic National Wildlife Refuge; and

WHEREAS the Alaska Native community of Kaktovik received ownership of 92,000

acres of private land within the coastal plain of the Arctic National Wildlife Refuge as settlement of their aboriginal land claims under the Alaska Native Claims Settlement Act of 1971 (ANCSA); and

WHEREAS the United States Congress intended the shareholders of ANCSA corporations, rather than the federal government, to have direct control over the development of the corporations' land and resources for the long-term economic benefit of the Alaska Native shareholders; and

WHEREAS the residents of Kaktovik recognized in ANCSA have been unable to develop their land in the coastal plain of the Arctic National Wildlife Refuge because of restrictions in the Alaska National Interest Lands Conservation Act; and

WHEREAS the North Slope Borough, representing the residents of the North Slope, including the Alaska Native residents of the coastal plain of the Arctic National Wildlife Refuge and the larger North Slope area, fully participated in the public process conducted by the Bureau of Land Management in the course of developing the 2020 Coastal Plain Oil and Gas Leasing Program Record of Decision and supports the decision; and

WHEREAS the oil and gas industry has developed directional drilling technology that would allow horizontal drilling within the Arctic National Wildlife Refuge, responsibly minimizing the impact area of development and offering a possibility of using directional drilling to access oil from outside of the boundaries of the 1002 study area; and

WHEREAS the oil and gas industry is using innovative technology and environmental practices in new oilfield developments, and those techniques are directly applicable to operating on the coastal plain of the Arctic National Wildlife Refuge and would further enhance the already high standards for environmental protection in the industry; and

WHEREAS the economic prosperity of the state depends on the availability of reliable and affordable energy; and

WHEREAS the state promotes the development of renewable and alternative energy resources; and

WHEREAS the Alaska State Legislature has previously encouraged the use of revenue from development in the Arctic National Wildlife Refuge for the development of renewable and alternative energy resources in the state; and

WHEREAS the legislative findings and intent in sec. 1, ch. 10, SLA 2015, which

declares the Arctic policy of the state, states that "the continuing development of the state's natural resources in an environmentally and socially responsible manner is essential to the development of the state's economy and to the well-being of the residents of the state"; and

WHEREAS the Arctic policy of the state, codified as AS 44.99.105, states "It is the policy of the state, as it relates to the Arctic, to uphold the state's commitment to economically vibrant communities sustained by development activities consistent with the state's responsibility for a healthy environment"; and

WHEREAS oil and gas development in the coastal plain of the Arctic National Wildlife Refuge has the potential to extend the life of the Trans Alaska Pipeline System and increase throughput, which has declined significantly since the peak of 2,033,000 average barrels of oil a day in 1988; and

WHEREAS the decline in oil prices and in Trans Alaska Pipeline System throughput has significantly reduced the revenue available to fund state government, depleted state savings reserves, and increased pressure on lawmakers to reduce permanent fund dividend payments to fund constitutionally mandated government services; and

WHEREAS development of oil and gas resources directly supports access to essential public services and enables local economic and community development projects in rural and underserved communities across the state; and

WHEREAS, in sec. 28 of the Alaska Statehood Act of 1958 (P.L. 85-508), the United States Congress established the right of the state to receive 90 percent of the income derived from mineral leasing collected from the development of federal land in the state; and

WHEREAS the Mineral Leasing Act of 1920 (30 U.S.C. 191), as amended, which is referenced in sec. 28 of the Alaska Statehood Act of 1958 (P.L. 85-508), provides that "[a]ll money received from the sales, bonuses, royalties . . . and rentals of [certain federal] public lands . . . shall be paid into the Treasury of the United States; and . . . 90 per centum thereof shall be paid to the State of Alaska for disposition by the legislature thereof," which is consistent with the provisions of the Alaska Statehood Act with respect to the share of profits obtained from leasing, exploration, and development of federal land within the state's borders to which the state is entitled; and

WHEREAS sec. 20001(b)(5) of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) provides for the state to receive a 50 percent share of the adjusted bonus, rental, and royalty

receipts derived from leasing, exploration, and development of federal land in the state, in contravention of the percentage shares required under the Alaska Statehood Act; and

WHEREAS the Congressional Budget Office has estimated that gross receipts from the Arctic National Wildlife Refuge lease bonus bids alone could generate proceeds of up to \$2,200,000,000 over a decade;

BE IT RESOLVED that the Alaska State Legislature urges the United States Department of the Interior, Bureau of Land Management, to honor the recent lease sales in the Arctic National Wildlife Refuge; and be it

FURTHER RESOLVED that the Alaska State Legislature requests that the United States Department of the Interior, Bureau of Land Management, in considering the adjudication of the exploration and development permitting process, take into account the long history of safe and responsible oil and gas development on the North Slope of Alaska, the enormous benefits development of oil and gas resources in the coastal plain of the Arctic National Wildlife Refuge would bring to the state and the nation, the advances in oilfield technology that continue to shrink the impact area of oil and gas activities, and the support of residents from the North Slope Borough and across the North Slope of Alaska for oil and gas development in a portion of the coastal plain; and be it

FURTHER RESOLVED that the Alaska State Legislature requests that President Biden's administration defend, in the public sphere and in court, the 2020 Record of Decision issued by the Bureau of Land Management that approves the Coastal Plain Oil and Gas Leasing Program in the Arctic National Wildlife Refuge; and be it

FURTHER RESOLVED that the Alaska State Legislature requests that President Biden and the Department of the Interior move forward with the permitting process in good faith with leaseholders in the Arctic National Wildlife Refuge; and be it

FURTHER RESOLVED that the Alaska State Legislature urges President Biden to immediately rescind the provisions of Executive Order 13990, pertaining to the Arctic National Wildlife Refuge, to faithfully implement the law and the final agency actions of the Department of the Interior and the Bureau of Land Management, and to respectfully listen to the state, the North Slope Borough, and the residents of the Alaska Native communities of the North Slope, including Kaktovik, before taking actions that affect those residents; and be it

FURTHER RESOLVED that the Alaska State Legislature urges President Biden to

take an approach of consultation and engagement on all decisions affecting the state, local communities, Alaska Native tribes and entities, and individual residents; and be it

FURTHER RESOLVED that the Alaska State Legislature opposes the designation of the Arctic National Wildlife Refuge as a National Monument by employing the Antiquities Act; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Alaska delegation in Congress to work to repeal sec. 20001(b)(5) of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) to honor the Alaska Statehood Act, which provides that the state receive a 90 percent share of all bonuses, royalties, and rentals under leases received by the federal government for exploration and development in the coastal plain of the Arctic National Wildlife Refuge; and be it

FURTHER RESOLVED that the Alaska State Legislature requests that the Alaska delegation in Congress work to defeat any effort to alter or repeal other provisions of sec. 20001 of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) if the result would adversely affect oil and gas development efforts in the Arctic National Wildlife Refuge.

COPIES of this resolution shall be sent to the Honorable Joseph R. Biden, President of the United States; the Honorable Kamala D. Harris, Vice President of the United States and President of the U.S. Senate; the Honorable Deb Haaland, United States Secretary of the Interior; Nada Wolff Culver, Deputy Director for Policy and Programs, Bureau of Land Management, U.S. Department of the Interior; the Coastal Plain Project Manager, Bureau of Land Management Alaska State Office, U.S. Department of the Interior; and the Honorable Lisa Murkowski and the Honorable Dan Sullivan, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.